

Committee: Performance & Audit Committee

Agenda Item

Date: 19 May 2016

8

Title: Performance & Audit Committee Self-assessment 2015/16

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Item for information

Summary

1. The Performance & Audit Committee fulfils the Audit Committee functions for the Council. To ensure it is meeting its responsibilities against the provided by Chartered Institute of Public Finance and Accountancy (CIPFA), a self-assessment of its work 2015/16 has been undertaken. This self-assessment will be included as evidence in support of the Annual Governance Statement 2015/16

Recommendations

2. The Committee note the outcome of Performance & Audit Committee Self-Assessment 2015/16

Financial Implications

3. None. There are no costs associated with this report

Background Papers

4. None

Impact

- 5.

Communication/Consultation	none
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. In December 2013, CIPFA published its “Audit Committees – Practical Guidance for Local Authorities and Police”. This guidance contains a Self-Assessment of Good Practice and an Evaluation of Effectiveness of audit committees.
7. Members were invited to take part in self-assessment exercise on 14 April 2016 using the checklists for the Self-Assessment of Good Practice and Evaluation of Effectiveness to consider the performance of this Committee in fulfilling its Audit Committee functions in 2015/16.

Self-Assessment of Good Practice

8. There are 20 questions contain in the CIPFA Self-assessment of Good Practice checklist which were considered during the exercise on 14 April. The completed self-assessment with comments to evidence the responses to each question is attached at Appendix A; below is a summary of the responses.
9. Of the 20 questions, responses were assessed as follows:

Yes	Partly	No
16	1	3

In comparison with the 2014/15 responses:

Yes	Partly	No
15	2	3

10. The 3 “No” responses are:

Ref	Good Practice question	Comments / Actions
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	Members should be asked to complete a self-assessment against the core skills and consider what training may be necessary to fill any gaps identified
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Neither sought nor received

19	Has the committee evaluated whether and how it is adding value to the organisation?	Chairman to report key points to Cabinet (standing item on Cabinet agenda)

11. The 1 “Partly” response is:

Ref	Good Practice question	Comments / Actions
7	Do the committee’s terms of reference explicitly address all the core areas identified in CIPFA’s Position Statement?	
	• Good governance	yes
	• Assurance framework	yes
	• Internal audit	yes
	• External audit	yes
	• Financial reporting	yes
	• Risk management	yes
	• Value for money or best value	PARTLY - At present no reports are received on procurement or tendering. The Committee will ask for a Procurement Report to be presented at its next meeting with quarterly or bi-annual update on procurement at future meetings.
• Counter-fraud and corruption	yes	

Evaluation of Effectiveness

12. The CIPFA Evaluation of Effectiveness requires consideration of 9 areas where the audit committee can add value by supporting improvement, to be assessed against the following key:

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

13. At the exercise on 14 April it was assessed that the Committee scored as follows:

Key level **5** in **3** of the areas and
Key level **4** in **6** of the areas

14. The completed evaluation with comments to evidence responses is attached at Appendix A

Conclusion

15. The conclusion from the Self-Assessment of Good Practice and Evaluation of Effectiveness carried out on 14 April 2016 is therefore that in 2015/16 the Performance & Audit Committee has effectively fulfilled its Audit Committee functions in accordance with the CIPFA guidance for an Audit Committee.

Risk Analysis

16.

Risk	Likelihood	Impact	Mitigating actions
The Performance & Audit Committee fails to fulfil its function as the Council's Audit Committee	1 = Little or no Likelihood Annual self-assessment to be carried out as part of the	2 = Some impact – action may be necessary	The annual self-assessment The Annual governance Statement is reviewed by the External

	evidence required for the Annual Governance Statement		Auditor and by the Performance & Audit Committee
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.